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VIA HAND DELIVERY

REDACTED FOR PUBLIC INSPECTION

**FILE
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March 27, 2019

Accepted / Filed

MAR 27 2019

Federal Communications Commission
Office of the Secretary

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Attention: Wireline Competition Bureau

**Re: Sunflower Enterprises, Inc. Petition for Waiver of Sections 51.909(a),
51.917(b)(1) and 51.917(b)(7) of the Commission's Rules**

Dear Ms. Dortch:

On behalf of Sunflower Enterprises, Inc., please find enclosed the Petition for Waiver of Sections 51.909(a), 51.917(b)(1) and 51.917(b)(7) of the Commission's Rules to modify access rate bands and charges and 2011 Base Period Revenue in connection with merger of affiliated study areas in Mississippi.

Inquiries may be directed to the undersigned consultant for Sunflower Enterprises, Inc.

Sincerely,

John Kuykendall
Vice President
jkuykendall@jsitel.com

Enclosures

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9430 Research Blvd., Austin, TX 78759
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March 27, 2019

By Hand Delivery

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Washington, DC 20554

**Re: Request for Confidentiality
Sunflower Enterprises, Inc. Petition for Waiver of Sections 51.909(a),
51.917(b)(1) and 51.917(b)(7) of the Commission's Rules**

Dear Ms. Dortch:

JSI, on behalf of its client, Sunflower Enterprises, Inc. ("Company"), hereby requests, pursuant to Section 0.459 of the Commission's rules,¹ withholding from public inspection of the above referenced document. The Company provides the following in support of its request, numbered consistent with the subparagraphs of Section 0.459(b).²

1. The information for which the Company is seeking confidential treatment is switched access revenue, cost, demand, access line and eligible recovery details contained in the Petition and the accompanying Exhibits A and B.
2. The Company is submitting the Petition for Waiver in order to implement the planned merger of two commonly-owned study areas. The Petition for Waiver is required to ensure compliance with FCC rules governing modification of access rate bands and charges and 2011 Base Period Revenue.³
3. The switched access revenue, cost, demand, access line and eligible recovery details in the Petition for Waiver for which the Company seeks the withholding from public inspection is confidential and proprietary financial data.
4. With respect to identifying the degree to which the Company's financial information concerns a service that is subject to competition, this type of information is highly sensitive and its public disclosure would place the Company at a competitive disadvantage in the telecommunications marketplace.

¹ 47 C.F.R. § 0.459.

² 47 C.F.R. § 0.459(b)(1) through (9).

³ 47 C.F.R. § 51.909(a), § 51.917(b)(1) and (b)(7)

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5. With respect to identifying possible exposure to competitive harm, this information is provided on a study area-specific basis and could have economic value to potential competitors as it may provide competitors insight into the Company's market strategies and gain competitive advantage.
6. With respect to steps the Company has taken to ensure against unauthorized disclosure of its financial information, this information is maintained confidentially by the Company and is not available through any source other than the Company or its authorized agents.
7. The Company's financial information is not available to the public and has not been previously disclosed.
8. The Company requests the financial information be treated as confidential indefinitely. Because of the sensitive nature of the data, it would not be appropriate for public disclosure at any time in the foreseeable future.
9. The Commission has previously found that this type of information warrants protection under Protective Order for annual access tariff filings in which similar financial data is provided.⁴

Based on the preceding, JSI respectfully requests on behalf of the Company that the Commission grant confidential treatment under Section 0.459 to the switched access revenue, cost, demand, access line and eligible recovery data contained in the Company's Petition for Waiver and Exhibits. The Petition for Waiver is appropriately marked "Confidential-Not for Public Disclosure". Please contact the undersigned with any questions regarding this request.

Sincerely,



John Kuykendall
Vice President
301-459-7590
jkuykendall@jsitel.com

⁴ See *Announcing Procedures for Obtaining Confidential Information for 2018 Annual Access Charge Tariff Filings and Corrections to TRP Spreadsheets*, WC Docket No. 18-100, Public Notice DA 18-578, rel. June 4, 2018.

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
)
Sunflower Enterprises, Inc.)
)
Petition for Waiver of Sections 51.909(a),)
51.917(b)(1) and 51.917(b)(7) of the Commission's)
Rules to modify access rate bands and charges,)
and 2011 Base Period Revenue in connection with)
merger of affiliated study areas in Mississippi)

**PETITION FOR WAIVER
OF PART 51 ACCESS CHARGE AND CONNECT AMERICA FUND-
INTERCARRIER COMPENSATION CALCULATIONS**

Pursuant to Section 1.3 of the rules of the Federal Communications Commission ("FCC" or "Commission"),¹ Sunflower Enterprises, Inc., ("Sunflower", or "Petitioner") hereby requests a waiver of the Commission's Section 51.909(a) rules to recalculate the rate bands and charges for local switching, tandem switching and dedicated transport services for two commonly-owned study areas in the same state—Sledge Telephone Company ("Sledge") and Lakeside Telephone Company, Inc. ("Lakeside").² Petitioner also seeks waiver of Sections 51.917(b)(1) and 51.917(b)(7) of the rules to recalculate for the same combined study areas the 2011 Interstate Switched Access Revenue Requirement and 2011 Rate-of-Return Carrier Base Period Revenue necessary to determine Connect America Fund-Intercarrier Compensation ("CAF-ICC") support.³

¹ 47 C.F.R. § 1.3.

² 47 C.F.R. § 51.909(a).

³ 47 C.F.R. § 51.917(b)(1) and (b)(7).

Grant of the requested waiver will allow Petitioner to implement the planned January 1, 2020 merger of the Lakeside study area into the Sledge study area.

I. INTRODUCTION AND SUMMARY

Sunflower is a holding company that provides, through its subsidiaries, local telephone exchange, broadband, Internet and long distance services. Sledge and Lakeside operate as separate legal entities, and are subsidiary corporations wholly-owned by Sunflower. Sledge, a Mississippi corporation, operates as a rate-of-return incumbent local exchange carrier (“ILEC”) in central Mississippi with approximately 333 voice access lines in study area 280466 in the Sunflower exchange. Lakeside is a Mississippi rate-of-return ILEC corporation, Study Area Code 280457, which operates approximately 227 voice access lines in the Glen Allan exchange located in south central Mississippi. Both Sledge and Lakeside are cost companies receiving legacy support.

Lakeside and Sledge will merge effective January 1, 2020, with Sledge as the surviving entity. To allow for the efficiency of managing switched access and CAF-ICC compliance for a single study area, the Lakeside study area 280457 will be merged into the Sledge study area 280466 effective January 1, 2020.⁴ However, as shown below, Sledge and Lakeside are in differing rate bands for certain switched access services in the National Exchange Carrier Association (“NECA”) Tariff F.C.C. No. 5.

⁴ Subsequent to grant of the requested waiver, Sunflower will file with the FCC Wireline Competition Bureau a letter notification of the planned merger of commonly-owned study areas within the state of Mississippi pursuant to FCC precedent.

	Local Switching	Local Transport	Tandem Switched Transport
Sledge Telephone Company, Inc. SAC 280466	Rate Band 8	Rate Band 9	Rate Band 2
Lakeside Telephone Company, Inc. SAC 280457	Rate Band 8	Rate Band 10	Rate Band 1

Therefore, Petitioner seeks waiver of Section 51.909(a) of FCC rules in order to establish consolidated rate bands and access rates for the merged study area 280466. In addition, Petitioner seeks waiver of Section 51.917(b)(1) to combine the 2011 Interstate Access Switched Access Revenue Requirements for the combined study areas into a consolidated 2011 Interstate Access Switched Access Revenue Requirement, and waiver of Section 51.917(b)(7) to combine the 2011 Rate-of-Return Base Period Revenues for the combined study areas into a single 2011 Rate-of-Return Base Period Revenue amount for the merged study area.

II. WAIVER STANDARD

In general, the FCC's rules may be waived for good cause shown.⁵ Waiver is appropriate where the "particular facts would make strict compliance inconsistent with the public interest."⁶ The FCC may grant a waiver of its rules where the requested relief would not undermine the policy objective of the rule in question, special circumstances

⁵ 47 C.F.R. § 1.3.

⁶ See *AT&T Wireless Services, Inc. et al. v. Federal Communications Commission*, No. 00-1304 (D.C. Cir. 2001), citing *Northeast Cellular Tel. Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990) ("*Northeast Cellular*").

warrant a deviation from the general rule, and such deviation will serve the public interest.⁷

III. WAIVER IS JUSTIFIED

A. Merger of Sledge and Lakeside Study Areas is in the Public Interest

The planned merger of the Sledge and Lakeside study areas is consistent with Commission policy encouraging consolidation of commonly owned study areas in the same state.⁸ Further, Commission precedent supports grant of petitions seeking waiver of Sections 51.909(a), 51.917(b)(1) and 51.917(b)(7) in the context of merging commonly-owned study areas within a state.⁹ The public interest is served by the increased administrative and operational efficiencies gained by consolidating these study areas. The resulting cost savings will permit greater resources for network investment which

⁷ See generally, *WAIT Radio v. FCC*, 418 F.2d 1153 (D.C. Cir. 1969), *cert. denied*, 409 U.S. 1027 (1972); see also *Northeast Cellular* (D.C. Cir. 1990).

⁸ See *In the Matter of American Samoa Government and the American Samoa Telecommunications Authority Petition for Waivers and Declaratory Rulings to Enable American Samoa to Participate in the Universal Service High Cost Support Program and the National Exchange Carrier Association Pools and Tariffs*, CC Docket No. 96-45, AAD/USB File No. 98-41, Order DA 99-1131, rel. June 9, 1999, para. 10.

⁹ See *In the Matter of Connect America Fund*, WC Docket No. 10-90, *Developing a Unified Intercarrier Compensation Regime*, CC Docket No. 01-92, *Petition of Butler-Bremer Mutual Telephone Company, Inc. for a Waiver of Sections 51.909(a), 51.917(b)(1), and 51.917(b)(7) of the Commission's Rules to modify access rate bands and charges, and 2011 Switched Access Revenue in connection with merger of affiliated Study areas in Iowa*, WC Docket No. 15-118, *Petition of Panora Communications Cooperative and Prairie Telephone Company, Inc. for Waiver of Sections 51.909(a), 51.917(b)(1), 51.917(b)(2), and 51.917(b)(7) of the Commission's Rules to modify access rate bands and charges, and 2011 Switched Access Revenue Requirement and 2011 Base Period Revenue in connection with study area waivers in Iowa*, WC Docket No. 15-166, Order, DA 18-107, rel. Feb. 5, 2018. See also *In the Matter of Connect America Fund*, WC Docket No. 10-90, *Developing a Unified Intercarrier Compensation Regime*, CC Docket No. 01-92, *Telapex, Inc. Petition for Waiver of Sections 51.909(a), 51.917(b)(1) and 51.917(b)(7) of the Commission's Rules to modify access rate bands and charges, and 2011 Base Period Revenue in connection with merger of affiliated study areas in Mississippi*, WC Docket No. 17-252, *Venture Communications Cooperative Petition for Waiver of Sections 51.909(a), 51.917(b)(1) and 51.917(b)(7) of the Commission's Rules to modify access rate bands and charges, and 2011 Base Period Revenue in connection with merger of affiliated study areas in South Dakota*, WC Docket No. 17-323, Order, DA 18-1243, rel. Dec. 11, 2018 (“*Franklin-Delta & Venture Merger Order*”).

will ultimately benefit Petitioner's customers. Grant of the requested waiver prior to the planned January 1, 2020 merger will allow Sunflower to fully realize the benefits from the synergies achieved in consolidating its subsidiary ILECs to a single operating company.

B. Impact of Switched Access Rate Band Consolidation is Minimal

As indicated at Exhibit A, the consolidation would not result in significant rate band changes as proposed for switched access rate elements. The overall impact on switched access revenue is minimal. As the Wireline Competition Bureau has found in granting similar waiver petitions, these minimal differences are "more than offset by the public interest benefits resulting from efficiencies gained from implementation of the mergers."¹⁰ Based on the internal estimates, the company expects a net decrease of approximately [REDACTED] annually, which represents about 11.39% of total projected billed revenues of [REDACTED] shown on Exhibit B.

C. Recalculation of 2011 Interstate Switched Access Revenue Requirement and Base Period Revenue Will Not Adversely Impact CAF-ICC

Exhibit B provides a summary of the expected CAF-ICC support as calculated by NECA, and reflects combined data for the Sledge and Lakeside study areas. Access Recovery Charges will remain unchanged and therefore will have no impact on CAF-ICC or on end users. As described above, the company expects a decrease of switched access revenue of approximately [REDACTED] per year which will be replaced with CAF-ICC support. NECA projections indicate that the combined entity would receive [REDACTED], of

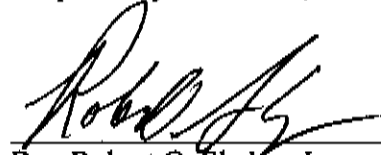
¹⁰ See *Franklin-Delta & Venture Merger Order* at para.11.

CAF-ICC support, absent any changes to switched access rates, and as such, this change would represent a very small 0.43% increase in CAF-ICC for the test period.

IV. Conclusion

As demonstrated herein, "good cause" exists for grant of this waiver. Petitioners respectfully request the Commission act expeditiously to grant waiver of Section 51.909(a), 51.917(b)(1) and 51.917((b)(7) of the rules in order that the Sledge and Lakeside study area merger may be implemented January 1, 2020.

Respectfully Submitted,



By: Robert O. Sledge, Jr.

President

SUNFLOWER ENTERPRISES, INC.

124 Delta Avenue

P.O. Box 68

Sunflower, MS 38778

3/25/, 2019

Rate Band Placement

Local Switching

sar_id	sar_abbr	LSRRQ2011-2012	LS Cost per Minute	LS Band	Forecasted Minutes
280457	LAKESIDE TEL. CO.			8	
280466	SLEDGE TEL CO			8	
Merged	SLEDGE TEL CO			8	

Test Period 2011-2012 (interstate frozen baseline) is from July 1, 2011 through June 30, 2012.

All Local Switching RRQ, Forecasted Minutes and Rate Band placements are from NECA's 2011 Annual Filing.

Tandem Switching

sar_id	sar_abbr	RRQ	Revenue	Retention Ratio	TST Band
280457	LAKESIDE TEL. CO.			0.01034	1
280466	SLEDGE TEL CO			0.28371	2
Merged	SLEDGE TEL CO			0.17503	1

Dedicated Transport 201112

sar_id	sar_abbr	SP_RRQ	SP_Revenue	Retention Ratio	SP Band
280457	LAKESIDE TEL. CO.			1.48539	10
280466	SLEDGE TEL CO			1.17241	9
Merged	SLEDGE TEL CO			1.25358	10

Dedicated transport rate band is the same as the Special Access rate band for the test period July 1, 2011 through June 30, 2012

Test Period 2018/2019 (Data are based on input provided by company in the CAF ICC Data Collection)

Interstate

sarid	RRQ	CurrentEORate	Proposed EORate	CurrentCompRate	ProjectedMin	ProCurentRev	TermLSMin	TermRevCurrent	TermRevProj	ProjectedRev	AllocatedRev	InterER
280457		\$0.003567	\$0.002133	\$0.017840								
280466		\$0.003567	\$0.002133	\$0.022249								
Merged		\$0.003567	\$0.002133	\$0.020182								

Intrastate

sarid	YR1ActualRev	RRQ	TPForecastedMin	TPExpRev	TPIntrastateER
280457					
280466					
Merged					

CMRS

sarid	YR1_NetRecipCompRev	TP_NetExpRecipCompRev	RRQ	CMRS_ER
280457				
280466				
Merged				

Non_CMRS

sarid	YR1_NetRecipCompRev	TP_NetExpRecipCompRev	RRQ	CMRS_ER
280457				
280466				
Merged				

Exogenous Costs

sarid	TRS_Increment	Reg_Fees_Increment	NANPA_Increment	Total
280457				
280466				
Merged				

Residential ARC

sarid	SAR_ABBR	ExchangeName	Res Lines	Res_ARC Rev	ResARCRate
280457	LAKESIDE TEL. CO.	Lakeside			\$3.00
280466	SLEDGE TEL CO	Sledge			\$3.00

ARC Rate and Revenue

sarid	SAR_ABBR	Res Lines	SLB Lines	MLB Lines	Res_ARC Rev	SLB_ARC Rev	MLB_ARC Rev	Total ARC Rev	SLBARCRate	MLBARCRate
280457	LAKESIDE TEL. CO.								\$3	\$3
280466	SLEDGE TEL CO								\$3	\$3
Merged	SLEDGE TEL CO								\$3	\$3

Net Impact of True-Up, Pre and Post Eligible Recovery and CAFICC Support

sarid	ER_pretrueup	RESARC_pretrueup	SLBARC_pretrueup	MLBARC_pretrueup	TotalARC_pretrueup	CAFICC_pretrueup	NetImpact_trueup	ER	RESARC	SLBARC	MLBARC	TotalARC Rev	CAFICC
280457													
280466													
Merged													

Revised CAF ICC Support Reduced by Imputed ARC Revenues on Broadband-only Lines

sarid	CAFICC	Broadband-only Lines	Imputed ARC Revenues	Revised CAF ICC Support
280457				
280466				
Merged				